

**CITY OF WAVERLY, KANSAS**

**Financial Statements for the  
Year Ended December 31, 2014  
And Independent Auditors' Report**

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# CITY OF WAVERLY, KANSAS

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Cash Receipts, Expenditures and Unencumbered Cash	3
Notes to Financial Statement	4 - 13
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures - Actual and Budget	14
General Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	15
Special Highway Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	16
Economic Development Fund - Schedule of Cash Receipt and Expenditures - Actual and Budget	17
Park and Recreation Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	18
Water Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	19
Water Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	20
Sewer Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	21
Solid Waste Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	22
Capital Improvement Fund - Schedule of Cash Receipts and Expenditures - Actual	23
Equipment Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	24
Infrastructure Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	25
Heck Addition Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	26
Rural Dev. Water System Fund - Schedule of Cash Receipts and Expenditures - Actual	27
Grant Fund - Schedule of Cash Receipts and Expenditures - Actual	28
OTHER INFORMATION:	
Schedule of Statistics	29
Mayor and City Council Listing	30
Schedule of Insurance in Force	31

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and City Council  
City of Waverly, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Waverly, Kansas (City), as of and for the year ended December 31, 2014 and the notes to the financial statement.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Kansas Municipal Audit and Accounting Guide (KMAAG) described in Note 1 in order to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and KMAAG. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As describe in Note 1 of the financial statements, the financial statements are prepared by the City of Waverly, Kansas (City) to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Waverly, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Waverly, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of KMAAG described in Note 1.

*Report on Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget, are presented for purposes of additional analysis and are not a required part of the financial statements, however are required to be presented under the provisions of KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The "Other Information" on pages 29 - 31 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, therefore, we express no opinion on it.

Stephen M. Connolly, CPA, P.C.

March 16, 2015

CITY OF WAVERLY, KANSAS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
YEAR ENDED DECEMBER 31, 2014

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
General Fund	\$ 108,620	\$ 182,585	\$ 197,864	\$ 93,341
Special Revenue Funds:				
Special Highway Fund	32,747	14,869	25,600	22,016
Economic Development Fund	169,465	26,250	93,215	102,500
Park & Recreation Fund	1,238	35,025	36,030	233
Enterprise Funds:				
Water Fund	77,281	151,732	152,227	76,786
Water Reserve Fund	108,911	6,459	-	115,370
Sewer Fund	73,576	55,719	55,051	74,244
Solid Waste Fund	25,053	39,536	36,502	28,087
Capital Project Funds:				
Capital Improvement Fund	(84,492)	338,757	3,964	250,301
Equipment Reserve Fund	137,582	9,000	10,878	135,704
Infrastructure Fund	438,507	127,436	72,745	493,199
Heck Addition Fund	3,890	1,200	2,113	2,977
Rural Development Fund	-	-	-	-
Grant Fund	-	-	-	-
Total Reporting Entity	\$ <u>1,092,380</u>	\$ 988,566	\$ 686,187	\$ <u>1,394,760</u>
Less Transfers		<u>47,500</u>	<u>47,500</u>	
		\$ <u>941,066</u>	\$ <u>638,687</u>	
COMPOSITION OF CASH:				
First National Bank			\$	400,791
Certificates of Deposit				993,894
Petty Cash				75
			\$	<u>1,394,760</u>

# CITY OF WAVERLY, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Waverly, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2014.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds - to account for major capital expenditures.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting that demonstrates compliance with the cash basis and budget laws of the state of Kansas. The municipality adopts annually a GAAP waiver ordinance which thereby requires this type of special reporting. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. The City had no material encumbrances at December 31, 2014.
- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not

presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

- d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds that are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## 2. DEPOSITS

At year-end the carrying amount of the City's deposits was \$1,394,760 and the bank balance was \$1,473,516. The differences between the carrying amount and the balance are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and pledged securities.

## 3. CERTIFICATES OF DEPOSIT

The following represents a listing of the certificates of deposit at December 31, 2014:

	Maturity Date	Interest Rate	Amount
First National Bank	3/17/2015	0.14%	\$ 59,328
First National Bank	4/23/2015	0.04%	88,134
First National Bank	4/10/2015	0.03%	67,305
First National Bank	5/12/2015	0.07%	55,780
First National Bank	3/5/2015	0.06%	52,304
First National Bank	3/5/2015	0.06%	52,304
First National Bank	6/3/2016	0.28%	250,000
First National Bank	12/3/2016	0.50%	250,000
First National Bank	12/3/2016	0.50%	<u>118,740</u>
			<u>\$ 993,894</u>

## 4. TAXES

*Property Taxes* – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following May 10.

*Motor Vehicle Taxes* – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles, from 30% to 20% of market value.



In 2014, the City received the following from county and state taxes:

	General Fund	Special Highway Fund	Parks & Recreation Fund
Property Taxes	\$ 112,699	\$	\$
Delinquent Taxes	1,941		
Motor Vehicle Taxes	17,288		
Alcohol Tax	169		169
State Highway Aid		14,869	
	<u>\$ 132,098</u>	<u>\$ 14,869</u>	<u>\$ 169</u>

The assessed valuation in 2013 was \$2,563,348, which was used to determine the mill levy for 2014. The mill levy was 44.862 for 2014.

##### 5. UTILITIES

The City provides water, sewer, and solid waste services. The City reads the meters at the end of each month and mails their utility bills on the first Monday of each month for the previous month's service. The utility bills are due by the 15<sup>th</sup> day of the following month. Payments received after the 15<sup>th</sup> are subject to a late charge of 10% on the current month's activity. If bills are not paid by the last day of the month, another 5% penalty will be added. Whenever payment is not made by the due date, the city shall have the right to terminate water service after notice and hearing.

The City requires, at the time of making application for utility service, the property owner or customer shall make a cash deposit in the amount of \$100 set by the governing body to secure payment of accrued bills or bills due on discontinuance of service.

The amount due to the City for utility services as of December 31, 2014 was \$23,999, of which \$19,537 is related to the December billings (due January 15, 2014). The amount due to customers for utility deposits as of December 31, 2014 was \$2,294.

Utility Rates as of December 31, 2014 are as follows:

*Water Rates:*

Minimum charge	\$21.00 includes 1,000 gallons
Next 9,000 gallons	\$9.75 per 1,000 gallons
Over 10,000 gallons	\$9.30 per 1,000 gallons
Reserve amount	\$2.00 per meter

*Sewer Rates:*

Minimum charge	\$13.80 includes 2,000 gallons
Excess of 2,000 gallons	\$2.50 per 1,000 gallons
Maximum charge	\$30.00

*Solid Waste:*

Monthly charge	\$14.65
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6. LONG-TERM DEBT

The City's long-term debt is comprised of Kansas Water Pollution Control Revolving Fund (KWPCRF), which was used to finance the costs related to certain improvements of the City's sewer system, Public Water supply System Revenue Bonds, which were used to pay off an interim loan with the First National Bank of Kansas; and lease-purchase agreements, which were used to finance a police vehicle.

Kansas Water Pollution Control Revolving Fund

In December 1997, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a fourth lagoon cell, including installation of necessary piping and control structures to permit the new cell to function as the first lagoon cell. The four-cell lagoon system design is based on a design flow rate of 89,600 gallons per day.

The amount of the loan is up to \$201,000 (\$49,845 outstanding at December 31, 2014) bearing interest at a rate of 3.22%, principal and interest payments made on a semiannual basis beginning one year after the completion of the project ranging from \$6,687 to \$6,719.

The City shall impose and collect such rates, fees and charges for the use of and services furnished by or through the System, including all improvements and additions through system revenues or levy ad valorem taxes, without limitation as to rate or amount upon all the taxable tangible property, real or personal, to produce amounts which are sufficient to pay the cost of operation and maintenance of the System, pay the principal and interest on the loan, and pay all other amounts due at any time under the loan agreement.

Public Water Supply System Revenue Bonds, Series 2006

On January 26, 2006, the City issued Public Water Supply System Revenue Bonds, Series 2006 in the amount of \$372,000 (\$345,000 outstanding at December 31, 2014), which were used to pay off the interim loan with First National Bank of Kansas. The interim loan with the Bank was used to initially finance the City's Rural Development Water System Project. The Bonds mature in 2046 and have a stated interest rate of 4.5%.

Changes in Long-Term Debt:

	Payable at 1/1/2014	Advances	Payments	Payable at 12/31/2014
KWPCRLF	\$ 61,342	\$	\$ 11,497	\$ 49,845
Revenue Bonds	<u>349,000</u>	<u></u>	<u>4,000</u>	<u>345,000</u>
	\$ <u>425,478</u>	\$ <u></u>	\$ <u>15,497</u>	\$ <u>394,845</u>

Interest Payments:

KWPCRLF	\$ 1,883
Revenue Bonds	<u>15,705</u>
	\$ <u>17,588</u>

Total Debt Service:

KWPCRLF	\$ 13,381
Revenue Bonds	<u>19,705</u>
	\$ <u>33,086</u>

Principal and interest payments of long-term debt are as follows:

Year Ending	Principal	Interest	Total
2015	\$ 15,871	\$ 17,035	\$ 32,906
2016	16,256	16,470	32,726
2017	16,654	15,892	32,546
2018	18,064	15,301	33,365
Thereafter	328,000	258,705	586,705
	<u>\$ 394,844</u>	<u>\$ 323,404</u>	<u>\$ 718,248</u>

## 7. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale Water Supply District No. 12 (District) to purchase water up to 4,000,000 gallons of water per month and a guaranteed minimum of 2,000,000 gallons per month. Effective April 1, 2010, the City's guaranteed minimum decreased to 1,800,000 gallons per month. In 2014 the City paid \$72,000 for 15,883,000 gallons of water used. The effective rate per 1,000 in 2014 was \$4.10. Effective November 1, 2013, the City began paying the District \$4.00 per 1,000 gallons and a minimum \$6,000 per month.

In 1980, the City entered into a lease agreement with Unified School District No. 243 Lebo-Waverly, Coffey County, and Kansas which gives the School District the right to occupy and use the pool building in the City of Waverly. The agreement expires December 12, 2079.

The City leases an industrial building and appurtenant facilities to a local company for a monthly rental payment of \$2,100. The current lease is for a one year term and the lessee is responsible for all utilities, insurance, maintenance and property taxes.

In July 1995, the City entered into an agreement with Coffey County Fire District No. 1 of Coffey County, Kansas (Fire District) to establish a joint facility to serve all parties as fire station, city office building and community meeting room. The agreement will be in effect for a term of 99 years.

In February 2014, the City entered into an agreement with Allied Waste Services (Contractor) to provide residential solid waste collection services within the City for a period of 5 years, with an option to negotiate a three-year extension. The current Contractor charges for 5 years are as follows:

	8/1/2013	8/1/2014	8/1/2015	8/1/2016	8/1/2017
Base Rate	\$ 13.00	\$ 13.65	\$ 14.33	\$ 15.05	\$ 15.80
Billing Charge	\$ 1.00	\$ 1.00	\$ 0.97	\$ 0.95	\$ 1.00

## 8. PENSION PLAN

The City's full-time employees participate in the Kansas Public Employees Retirement System ("System"), a multiple employer public employee retirement system. The payroll for employees covered by the System for 2014 was \$76,383 and the City's total payroll for 2014 was \$159,916.

Covered employees under Tier 1 are required by state statute to contribute 5% of their salary to the System. Tier 2 covered employees are required by state statute to contribute 6% of their salary to the System. The City is required by statute to contribute 8.84%, using the full funding method, which funds current costs each year and past service liability over a 40-year period. The contribution requirement for the year ended December 31, 2014, was \$11,579, which consisted of \$4,178 from employees and \$7,401 from the City.

## 9. COMPENSATED ABSENCES FOR EMPLOYEES

Each employee earns vacation for the years that the employee has been employed. The employee earns one week after their first year and until the end of their third year, two weeks in years four through seven, three weeks in years eight through twelve, and four weeks after twelve years.

Effective January 1, 2002, new employees will accumulate one-half of a day of sick leave per month for three years. At the third anniversary of the employee's start date, the employee shall accumulate one day per month up to 90 days, including those days accumulated the first three years.

## 10. INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Capital Improvement Fund	\$ 38,500	\$
Equipment Reserve Fund	9,000	
Sewer Fund		6,000
General Fund		41,500
	<u>\$ 47,500</u>	<u>\$ 47,500</u>

## 11. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer and sanitation to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral. The City had ten customers that accounted for 18% of the 2014 water gallons sold.

## 12. CAPITAL PROJECTS

The City completed a capital project which included new field lights, concession stand and scoreboard at Jones Park. The City was awarded a grant for the project from the W.S. & E.C. Jones Testamentary Trust in an amount up to \$296,250, which was received during 2014. Capital projects and equipment purchases for the year ending December 31, 2014 consist of the following:

<u>Project/Purchase</u>	<u>Total</u>
Burned Building Clean-up	\$ 16,700
Chip and Seal	69,336
Jones Park Improvements	71,212
	<u>\$ 157,248</u>

The City receives infrastructure money from Coffey County for improvements. In 2014, the City received \$22,973, which was recorded in the Park & Recreation Fund and \$127,436, which was recorded in the Infrastructure Fund. The City has designated the following funds, which are estimates only, for capital improvements:

	<u>Infrastructure</u>
Sidewalk Program	\$ 138,745
Easement Tree Maintenance	31,210
Pool	21,716
Park	33,780
Undesignated Funds	395,184
	<u>\$ 620,634</u>

## 13. COMPLIANCE WITH KANSAS LAW

Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2014 for the funds that were part of this audit.

#### 14. RELATED PARTY TRANSACTIONS

The City's banking is with a local financial institution which is owned by the Mayor.

#### 15. RISK MANAGEMENT

The City is subjected to various risks, including liability, workers' compensation, property, etc. The City insures these risks through Employers Mutual Casualty Company. See the Schedule of Insurance for details.

#### 16. LITIGATION

The City was not involved in any litigation at December 31, 2014.

#### 17. SUBSEQUENT EVENTS

Management is not aware of any other subsequent events from the financial statement date through March 16, 2015, the date at which these financial statements were available to be issued, and determined there are no other items to disclose.

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# CITY OF WAVERLY, KANSAS

## SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET YEAR ENDED DECEMBER 31, 2014

	Expenditures	Budget	Variance Favorable (Unfavorable)
General Fund	\$ 197,864	\$ 237,412	\$ 39,548
Special Revenue Funds:			
Special Highway Fund	25,600	28,000	2,400
Economic Development Fund	93,215	122,000	28,785
Park & Recreation Fund	36,030	43,300	7,270
Capital Project Funds:			
Infrastructure Fund	72,745	280,000	207,255
Heck Addition Fund	2,113	15,300	13,187
Enterprise Funds:			
Water Fund	152,227	232,200	79,973
Sewer Fund	55,051	95,381	40,330
Solid Waste Fund	36,502	52,000	15,499
Total Budgeted Funds	671,347	\$ 1,105,593	\$ 434,246
Nonbudgeted Funds:			
Capital Improvement Fund	3,964		
Equipment Reserve Fund	10,878		
Total Expenditures	\$ 686,187		



CITY OF WAVERLY, KANSAS

GENERAL FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
State and County Taxes	\$ 129,945	\$ 132,098	\$ 130,994	\$ 1,104
Interest	2,314	1,573	1,500	73
Utility Franchise Taxes	36,870	40,888	30,000	10,888
Fines and Fees	1,559	1,251	1,000	251
Licenses	1,137	1,020	1,000	20
Miscellaneous	6,653	5,755	1,000	4,755
Total Cash Receipts	178,478	182,585	\$ 165,494	\$ 17,091
<b>EXPENDITURES:</b>				
Personal Services	65,244	68,979	\$ 77,000	\$ 8,021
Insurance	25,514	21,372	19,000	(2,372)
Contractual Services	13,790	11,337	13,000	1,663
Commodities	5,150	5,158	15,000	9,842
Law Enforcement	10,895	3,253	8,000	4,747
Street Lighting	16,572	18,531	16,700	(1,831)
Professional Services	7,094	6,011	13,000	6,990
Public Parks & Building Expense	16,869	17,303	12,000	(5,303)
Principal and Interest Payments	-	-	10,000	10,000
Capital Outlay	-	-	10,000	10,000
Other	2,474	4,421	2,212	(2,209)
Transfer	31,500	41,500	41,500	
Total Expenditures	195,102	197,864	\$ 237,412	\$ 39,548
Receipts over (under) expenditures	(16,624)	(15,279)		
Unencumbered cash, beginning balance	125,244	108,620		
Unencumbered cash, ending balance	\$ 108,620	\$ 93,341		

CITY OF WAVERLY, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
County and State Taxes	\$ 14,673	\$ 14,869	\$ 15,290	\$ (421)
Total Cash Receipts	14,673	14,869	\$ 15,290	\$ (421)
<b>EXPENDITURES:</b>				
Personal Services	5,407	13,102	\$ 4,000	\$ (9,102)
Commodities	5,067	12,498	9,000	(3,498)
Capital Outlay	-	-	15,000	15,000
Total Expenditures	10,474	25,600	\$ 28,000	\$ 2,401
Receipts over (under) expenditures	4,200	(10,731)		
Unencumbered cash, beginning balance	28,547	32,747		
Unencumbered cash, ending balance	\$ 32,747	\$ 22,016		

CITY OF WAVERLY, KANSAS

ECONOMIC DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Rent	\$ 25,200	\$ 25,200	\$ 27,600	\$ (2,400)
Other	-	1,050	-	1,050
Interest Income	-	-	-	-
Total Cash Receipts	25,200	26,250	\$ 27,600	\$ (1,350)
<b>EXPENDITURES:</b>				
Contractual	-	-	\$ 6,000	\$ 6,000
Commodities	4,235	-	25,000	25,000
Capital Outlay	34,033	87,912	30,000	(57,912)
Economic Development Project	-	-	40,000	40,000
Other	2,582	1,288	11,000	9,712
Personal Services	6,274	4,016	10,000	5,984
Total Expenditures	47,125	93,215	\$ 122,000	\$ 28,785
Receipts over (under) expenditures	(21,925)	(66,965)		
Unencumbered cash, beginning balance	191,389	169,465		
Unencumbered cash, ending balance	\$ 169,465	\$ 102,500		

CITY OF WAVERLY, KANSAS

PARK AND RECREATION FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Coffey County Grant	\$ 22,973	\$ 22,973	\$ 22,973	\$ (1)
Alcohol Tax	577	169	980	(811)
Reimbursements	-	-	4,000	(4,000)
Park & Recreation Receipts	10,896	11,884	15,000	(3,116)
Total Cash Receipts	34,445	35,025	\$ 42,953	\$ (7,928)
<b>EXPENDITURES:</b>				
Personal Services	22,030	18,209	\$ 19,000	\$ 791
Contractual	-	-	3,800	3,800
Insurance	-	8,203	4,000	
Parks and Recreation	8,204	8,343	3,800	(4,543)
Public Parks and Buildings	3,575	1,180	-	(1,180)
Capital Outlay	-	-	4,000	4,000
Commodities	-	95	4,700	4,605
Other	-	-	4,000	4,000
Total Expenditures	33,809	36,030	\$ 43,300	\$ 11,473
Receipts over (under) expenditures	636	(1,005)		
Unencumbered cash, beginning balance	602	1,238		
Unencumbered cash, ending balance	\$ 1,238	\$ 233		

## CITY OF WAVERLY, KANSAS

## WATER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Water Sales	\$ 147,574	\$ 144,565	\$ 180,000	\$ (35,435)
Special Charges	20	200	3,000	(2,800)
Water Sales - Bulk	1,506	2,326	3,000	(675)
Late Fees	3,772	3,641	5,500	(1,859)
Connecting Fees			1,500	(1,500)
Water Deposits	2,600	1,000	4,000	(3,000)
Interest				
Total Cash Receipts	155,472	151,732	\$ 197,000	\$ (45,268)
<b>EXPENDITURES:</b>				
Personal Services	42,394	40,365	\$ 55,000	\$ 14,635
Contractual	10,931	10,341	15,000	4,659
Commodities	7,154	7,553	13,000	5,447
Capital Outlay	-	-	30,000	30,000
Water Deposit Refunds	2,900	1,575	5,000	3,425
Water Purchases	74,978	72,000	80,000	8,000
Water Project - Principal	4,000	4,000	4,000	-
Water Project - Interest	15,885	15,705	15,200	(505)
Other	737	689	10,000	9,311
Transfer	5,000		5,000	5,000
Total Expenditures	163,978	152,227	\$ 232,200	\$ 79,973
Receipts over (under) expenditures	(8,506)	(495)		
Unencumbered cash, beginning balance	85,787	77,281		
Unencumbered cash, ending balance	\$ 77,281	\$ 76,786		

CITY OF WAVERLY, KANSAS

WATER RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual
CASH RECEIPTS:		
Water Sales	\$ 2,424	\$ 6,459
Other	4,056	
Total Cash Receipts	6,480	6,459
EXPENDITURES:		
Capital Outlay	6,370	-
Total Expenditures	6,370	-
Receipts over (under) expenditures	110	6,459
Unencumbered cash, beginning balance	108,801	108,911
Unencumbered cash, ending balance	\$ 108,911	\$ 115,370

CITY OF WAVERLY, KANSAS

SEWER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2013 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Special Charges	\$ -	\$ -	\$ 800	\$ 800
Sewer Charges	56,150	55,719	60,000	4,281
Total Cash Receipts	56,150	55,719	\$ 60,800	\$ 5,081
<b>EXPENDITURES:</b>				
Personal Services	30,088	29,943	\$ 40,000	\$ 10,057
Employee Benefits			3,000	3,000
Contractual	3,595	3,005	5,000	1,995
Commodities	2,764	2,723	6,000	3,277
Principal Payments	11,136	11,497	10,447	(1,050.42)
Interest Payments	2,245	1,883	2,934	1,051
Capital Outlay			15,000	15,000
Miscellaneous			5,000	5,000
Transfer	8,000	6,000	8,000	2,000
Total Expenditures	57,827	55,051	\$ 95,381	\$ 40,330
Receipts over (under) expenditures	(1,677)	668		
Unencumbered cash, beginning balance	75,252	73,576		
Unencumbered cash, ending balance	\$ 73,576	\$ 74,244		

CITY OF WAVERLY, KANSAS

SOLID WASTE FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Solid Waste Charges	\$ 40,029	\$ 39,536	\$ 42,000	\$ (2,464)
Total Cash Receipts	40,029	39,536	\$ 42,000	\$ (2,464)
<b>EXPENDITURES:</b>				
Contractual	36,524	35,880	\$ 37,000	\$ 1,120
Capital Outlay	-	-	10,000	10,000
Commodities	532	622	5,000	4,379
Total Expenditures	37,056	36,502	\$ 52,000	\$ 15,499
Receipts over (under) expenditures	2,974	3,034		
Unencumbered cash, beginning balance	22,079	25,053		
Unencumbered cash, ending balance	\$ 25,053	\$ 28,087		



# CITY OF WAVERLY, KANSAS

## CAPITAL IMPROVEMENT FUND SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual
<b>CASH RECEIPTS:</b>		
Donations	\$ 17,615	\$ -
Interest income	6	4
Grant	143,125	300,253
Transfer	28,500	38,500
Total Cash Receipts	189,246	338,757
<b>EXPENDITURES:</b>		
Commodities	400	125
Other	20,058	2,227
Capital Outlay	488,670	1,612
Total Expenditures	509,128	3,964
Receipts over (under) expenditures	(319,882)	334,793
Unencumbered cash, beginning balance	235,390	(84,492)
Unencumbered cash, ending balance	\$ (84,492)	\$ 250,301

# CITY OF WAVERLY, KANSAS

## EQUIPMENT RESERVE FUND

### SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual
<b>CASH RECEIPTS:</b>		
Other	\$ -	\$ -
Transfers	16,000	9,000
Total Cash Receipts	16,000	9,000
<b>EXPENDITURES:</b>		
Contractual	500	2,623
Commodities	18,922	8,255
Capital outlay	-	-
Total Expenditures	19,422	10,878
Receipts over (under) expenditures	(3,422)	(1,878)
Unencumbered cash, beginning balance	141,004	137,582
Unencumbered cash, ending balance	\$ 137,582	\$ 135,704

CITY OF WAVERLY, KANSAS

INFRASTRUCTURE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Coffey County Grant	\$ 127,436	\$ 127,436	\$ 127,436	\$ -
Total Cash Receipts	127,436	127,436	\$ 127,436	\$ -
<b>EXPENDITURES:</b>				
Personal Services	2,882	3,409	\$ 10,000	\$ 6,591
Contractual	-	-	12,500	12,500
Commodities	-	-	12,500	12,500
Transfers	-	-	35,000	35,000
Capital Outlay	-	69,336	210,000	140,664
Total Expenditures	2,882	72,745	\$ 280,000	\$ 207,255
Receipts over (under) expenditures	124,553	54,691		
Unencumbered cash, beginning balance	313,955	438,508		
Unencumbered cash, ending balance	\$ 438,508	\$ 493,199		

## CITY OF WAVERLY, KANSAS

## HECK ADDITION FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2014

	2013 Actual	2014 Actual	2014 Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
Heck Lots Sold	\$ -	\$ -	\$ 10,000	10,000
Rents	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>\$ -</u>
Total Cash Receipts	1,200	1,200	<u>\$ 11,200</u>	<u>\$ 10,000</u>
<b>EXPENDITURES:</b>				
Personal Services	2,334	2,113	\$ 3,000	\$ 887
Professional Services	-	-	5,000	5,000
Contractual	-	-	1,000	1,000
Commodities	-	-	3,000	3,000
Capital Outlay	<u>-</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>
Total Expenditures	<u>2,334</u>	<u>2,113</u>	<u>\$ 15,300</u>	<u>\$ 13,187</u>
Receipts over (under) expenditures	(1,134)	(913)		
Unencumbered cash, beginning balance	<u>5,025</u>	<u>3,890</u>		
Unencumbered cash, ending balance	<u>\$ 3,890</u>	<u>\$ 2,977</u>		

CITY OF WAVERLY, KANSAS

RURAL DEVELOPMENT WATER SYSTEM FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
YEAR ENDED DECEMBER 31, 2014

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	2013 <u>Actual</u>	2014 <u>Actual</u>
CASH RECEIPTS:		
Grant	\$ <u>-</u>	\$ <u>-</u>
Total Cash Receipts	-	-
EXPENDITURES:		
Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning balance	<u>-</u>	<u>-</u>
Unencumbered cash, ending balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**CITY OF WAVERLY, KANSAS**

**GRANT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
YEAR ENDED DECEMBER 31, 2014**

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	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
<b>CASH RECEIPTS:</b>		
Grant	\$ -	\$ -
Total Cash Receipts	-	-
 <b>EXPENDITURES:</b>		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning balance	-	-
Unencumbered cash, ending balance	\$ -	\$ -

## CITY OF WAVERLY, KANSAS

SCHEDULE OF STATISTICS  
YEARS ENDED DECEMBER 31, 2006-2013

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>WATER</b>									
Number of Meters	330	330	330	330	330	330	330	330	330
Gallons of water sold	14,935,361	14,886,019	13,833,039	13,728,450	14,361,600	14,098,226	13,637,435	12,179,300	12,141,779
Gallons of water purchased	16,383,000	16,495,000	15,120,000	15,380,000	16,494,000	16,323,000	16,460,000	18,329,000	15,833,000
Water loss %	8.84%	9.76%	8.51%	10.74%	12.93%	13.63%	17.15%	33.55%	23.31%
Average gallons sold per customer per month	3,772	3,759	3,493	3,467	3,627	3,560	3,444	3,076	3,066
Water sale per customer per month	\$39	\$41	\$39	\$37	\$39	\$39	\$41	\$38	\$38
Water sale per 1,000 gallons	\$10.35	\$10.78	\$10.42	\$10.21	\$10.72	\$10.64	\$11.23	\$10.33	\$10.39
<b>OTHER</b>									
Population	586	586	586	586	586	592	592	592	592
Valuation	\$2,186,734	\$2,331,271	\$2,526,449	\$2,565,083	\$2,515,679	\$2,528,152	\$2,541,635	\$2,542,366	\$2,565,348
Mill Levy	42.860	43.860	42.294	42.243	42.243	43.740	43.728	44.862	44.862
Ad Valorem Taxes Collected	\$89,474	\$103,251	\$105,107	\$105,552	\$104,810	\$108,794	\$109,404	\$112,747	\$114,641

# CITY OF WAVERLY, KANSAS

## MAYOR AND CITY COUNCIL

DECEMBER 31, 2014

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Craig Meader	2015
1	Jerry Collins	2015
2	David Foster	2017
3	Tammy White	2015
4	Kevin McMillen	2017
5	Jackie Clarkson	2015



# CITY OF WAVERLY, KANSAS

## INSURANCE IN FORCE YEAR ENDED DECEMBER 31, 2014

Policy Type	Expiration Date	Company	Annual Premium	Amount of Coverage	Description
General Liability	4/1/2015	Employers Mutual Casualty Company (EMCC)	\$1,673	1,000,000	Aggregate limit
				100,000	Property damage limit
				500,000	Personal injury limit
				500,000	Advertising injury limit
				5,000	Medical expense
Commercial Property	4/1/2015	EMCC	\$20,701	2,610,485	Building and personal property
Linebacker Law Enforcement	4/1/2015	EMCC	\$1,638	1,000,000	Each loss
			\$750	1,000,000	Aggregate
Workers' Compensation	4/1/2015	EMCC	\$5,092	500,000	Bodily injury by accident
				500,000	Bodily injury by each employee
				500,000	Bodily injury by policy limit
Business Auto	4/1/2015	EMCC	\$3,538	500,000	Liability
				500,000	Uninsured motorists
				500,000	Underinsured motorists
Inland Marine	4/1/2015	EMCC	\$1,644	180,319	Contractors' equipment